

105TH CONGRESS
2D SESSION

S. 2238

To reform unfair and anticompetitive practices in the professional boxing industry.

IN THE SENATE OF THE UNITED STATES

JUNE 26, 1998

Mr. LOTT (for Mr. McCain) (for himself and Mr. Bryan) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To reform unfair and anticompetitive practices in the professional boxing industry.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Muhammad Ali Boxing
5 Reform Act”.

6 **SEC. 2. FINDINGS.**

7 The Congress makes the following findings:

8 (1) Professional boxing differs from other
9 major, interstate professional sports industries in
10 the United States in that it operates without any

1 private sector association, league, or centralized in-
2 dustry organization to establish uniform and appro-
3 priate business practices and ethical standards. This
4 has led to repeated occurrences of disreputable and
5 coercive business practices in the boxing industry, to
6 the detriment of professional boxers nationwide.

7 (2) Professional boxers are vulnerable to ex-
8 ploitative business practices engaged in by certain
9 promoters and sanctioning bodies which dominate
10 the sport. Boxers do not have an established rep-
11 resentative group to advocate for their interests and
12 rights in the industry.

13 (3) State officials are the proper regulators of
14 professional boxing events, and must protect the wel-
15 fare of professional boxers and serve the public in-
16 terest by closely supervising boxing activity in their
17 jurisdiction. State boxing commissions do not cur-
18 rently receive adequate information to determine
19 whether boxers competing in their jurisdiction are
20 being subjected to contract terms and business prac-
21 tices which may be violative of State regulations, or
22 are onerous and confiscatory.

23 (4) Promoters who engage in illegal, coercive,
24 or unethical business practices can take advantage
25 of the lack of equitable business standards in the

1 sport by holding boxing events in states with weaker
2 regulatory oversight.

3 (5) The sanctioning organizations which have
4 proliferated in the boxing industry have not estab-
5 lished credible and objective criteria to rate profes-
6 sional boxers, and operate with virtually no industry
7 or public oversight. Their ratings are susceptible to
8 manipulation, have deprived boxers of fair opportu-
9 nities for advancement, and have undermined public
10 confidence in the integrity of the sport.

11 (6) Open competition in the professional boxing
12 industry has been significantly interfered with by re-
13 strictive and anti-competitive business practices of
14 certain promoters and sanctioning bodies, to the det-
15 riment of the athletes and the ticket-buying public.
16 Common practices of promoters and sanctioning or-
17 ganizations represent restraints of interstate trade
18 in the United States.

19 (7) It is necessary and appropriate to establish
20 national contracting reforms to protect professional
21 boxers and prevent exploitative business practices,
22 and to require enhanced financial disclosures to
23 State athletic commissions to improve the public
24 oversight of the sport.

1 (8) Whereas the Congress seeks to improve the
2 integrity and ensure fair practices of the profes-
3 sional boxing industry on a nationwide basis, it
4 deems it appropriate to name this reform in honor
5 of Muhammad Ali, whose career achievements and
6 personal contributions to the sport, and positive im-
7 pact on our society, are unsurpassed in the history
8 of boxing.

9 **SEC. 3. PURPOSES.**

10 The purposes of this Act are—

11 (1) to protect the rights and welfare of profes-
12 sional boxers by preventing certain exploitative, op-
13 pressive, and unethical business practices they may
14 be subject to on an interstate basis;

15 (2) to assist State boxing commissions in their
16 efforts to provide more effective public oversight of
17 the sport; and

18 (3) to promoting honorable competition in pro-
19 fessional boxing and enhance the overall integrity of
20 the industry.

21 **SEC. 4. PROTECTING BOXERS FROM EXPLOITATION.**

22 The Professional Boxing Safety Act of 1996 (15
23 U.S.C. 6301 et seq.) is amended by—

24 (1) redesignating section 15 as 16; and

25 (2) inserting after section 14 the following:

1 **“SEC. 15. PROTECTION FROM EXPLOITATION.**

2 “(a) CONTRACT REQUIREMENTS.—

3 “(1) IN GENERAL.—Any contract between a
4 boxer and a promoter or manager shall—

5 “(A) be reasonable;

6 “(B) include mutual obligations between
7 the parties; and

8 “(C) specify a minimum number of profes-
9 sional boxing matches per year for the boxer.

10 “(2) 1-YEAR LIMIT ON COERCIVE PROMOTIONAL
11 RIGHTS.—The period of time for which promotional
12 rights to promote a boxer may be granted under a
13 contract between the boxer and a promoter, or be-
14 tween promoters with respect to a boxer, may not be
15 greater than 12 months in length if the boxer is re-
16 quired to grant such rights, or a boxer’s promoter
17 is required to grant such rights with respect to a
18 boxer, as a condition precedent to the boxer’s par-
19 ticipation in a professional boxing match. Nothing in
20 this paragraph shall be construed as pre-empting
21 any State statute or common law rule against inter-
22 ference with contract.

23 “(3) PROMOTIONAL RIGHTS UNDER MANDA-
24 TORY BOUT CONTRACTS.—Neither a promoter nor a
25 sanctioning organization may require a boxer, in a
26 contract arising from a professional boxing match

1 that is a mandatory bout under the rules of the
 2 sanctioning organization, to grant promotional rights
 3 to any promoter for a future professional boxing
 4 match.

5 “(b) EMPLOYMENT AS CONDITION OF PROMOTING,
 6 ETC.—No person who is a licensee, manager, match-
 7 maker, or promoter may require a boxer to employ, retain,
 8 or provide compensation to any individual or business en-
 9 terprise (whether operating in corporate form or not) rec-
 10 ommended or designated by that person as a condition
 11 of—

12 “(1) such person’s working with the boxer as a
 13 licensee, manager, matchmaker, or promoter;

14 “(2) such person’s arranging for the boxer to
 15 participate in a professional boxing match; or

16 “(3) such boxer’s participation in a professional
 17 boxing match.

18 “(c) ENFORCEMENT.—

19 “(1) PROMOTION AGREEMENT.—A provision in
 20 a contract between a promoter and a boxer, or be-
 21 tween promoters with respect to a boxer, that vio-
 22 lates subsection (a) is contrary to public policy and
 23 unenforceable at law.

24 “(2) EMPLOYMENT AGREEMENT.—In any ac-
 25 tion brought against a boxer to recover money

1 (whether as damages or as money owed) for acting
 2 as a licensee, manager, matchmaker, or promoter for
 3 the boxer, the court, arbitrator, or administrative
 4 body before which the action is brought may deny
 5 recovery in whole or in part under the contract as
 6 contrary to public policy if the employment, reten-
 7 tion, or compensation that is the subject of the ac-
 8 tion was obtained in violation of subsection (b).”.

9 (b) CONFLICTS OF INTEREST.—Section 9 of such Act
 10 (15 U.S.C. 6308) is amended by—

11 (1) striking “No member” and inserting “(a)
 12 REGULATORY PERSONNEL.—No member”; and

13 (2) adding at the end thereof the following:

14 “(b) FIREWALL BETWEEN PROMOTERS AND MAN-
 15 AGERS.—

16 “(1) IN GENERAL.—It is unlawful for—

17 “(A) a promoter to have a direct or indi-
 18 rect financial interest in the management of a
 19 boxer; or

20 “(B) a manager to have a direct or indi-
 21 rect financial interest in the promotion of a
 22 boxer.

23 “(2) EXCEPTION FOR SELF-PROMOTION AND
 24 MANAGEMENT.—Paragraph (1) does not prohibit a

1 boxer from acting as his own promoter or man-
 2 ager.”.

3 **SEC. 5. SANCTIONING ORGANIZATION INTEGRITY RE-**
 4 **FORMS.**

5 (a) IN GENERAL.—The Professional Boxing Safety
 6 Act of 1996 (15 U.S.C. 6301 et seq.), as amended by sec-
 7 tion 4 of this Act, is amended by—

8 (1) redesignating section 16, as redesignated by
 9 section 4 of this Act, as section 17; and

10 (2) inserting after section 15 the following:

11 **“SEC. 16. SANCTIONING ORGANIZATIONS.**

12 “(a) OBJECTIVE CRITERIA.—A sanctioning organiza-
 13 tion that sanctions professional boxing matches on an
 14 interstate basis shall establish objective and consistent
 15 written criteria for the ratings of professional boxers.

16 “(b) APPEALS PROCESS.—A sanctioning organization
 17 shall establish and publish an appeals procedure that af-
 18 fords a boxer rated by that organization a reasonable op-
 19 portunity to submit information to contest its rating of
 20 the boxer. Under the procedure, the sanctioning organiza-
 21 tion shall, within 14 days after receiving a request from
 22 a boxer questioning that organization’s rating of the
 23 boxer—

1 “(1) provide to the boxer a written explanation
 2 of the organization’s criteria and its rating of the
 3 boxer; and

4 “(2) submit a copy of its explanation to the
 5 President of the Association of Boxing Commissions
 6 of the United States.

7 “(c) NOTIFICATION OF CHANGE IN RATING.—If a
 8 sanctioning organization changes its rating of a boxer who
 9 is included, before the change, in the top 10 boxers rated
 10 by that organization, then it shall provide a written expla-
 11 nation of the reasons for its change in that boxer’s rating
 12 to the boxer within 14 days after changing the boxer’s rat-
 13 ing.

14 “(d) PUBLIC DISCLOSURE.—

15 “(1) FTC FILING.—Not later than January
 16 31st of each year, a sanctioning organization shall
 17 submit to the Federal Trade Commission—

18 “(A) a complete description of the organi-
 19 zation’s ratings criteria, policies, and general
 20 sanctioning fee schedule;

21 “(B) the bylaws of the organization;

22 “(C) the appeals procedure of the organi-
 23 zation; and

1 “(D) a list and business address of the or-
2 ganization’s officials who vote on the ratings of
3 boxers.

4 “(2) FORMAT; UPDATES.—A sanctioning orga-
5 nization shall—

6 “(A) provide the information required
7 under paragraph (1) in writing, and, for any
8 document greater than 2 pages in length, also
9 in electronic form; and

10 “(B) promptly notify the Federal Trade
11 Commission of any material change in the in-
12 formation submitted.

13 “(3) FTC TO MAKE INFORMATION AVAILABLE
14 TO PUBLIC.—The Federal Trade Commission shall
15 make information received under this subsection
16 available to the public. The Commission may assess
17 sanctioning organizations a fee to offset the costs it
18 incurs in processing the information and making it
19 available to the public.

20 “(4) INTERNET ALTERNATIVE.—In lieu of sub-
21 mitting the information required by paragraph (1)
22 to the Federal Trade Commission, a sanctioning or-
23 ganization may provide the information to the public
24 by maintaining a website on the Internet that—

1 “(A) is readily accessible by the general
2 public using generally available search engines
3 and does not require a password or payment of
4 a fee for full access to all the information;

5 “(B) contains all the information required
6 to be submitted to the Federal Trade Commis-
7 sion by paragraph (1) in an easy to search and
8 use format; and

9 “(C) is updated whenever there is a mate-
10 rial change in the information.”.

11 (b) CONFLICT OF INTEREST.—Section 9 of such Act
12 (15 U.S.C. 6308), as amended by section 4 of this Act,
13 is amended by adding at the end thereof the following:

14 “(c) SANCTIONING ORGANIZATIONS.—

15 “(1) PROHIBITION ON RECEIPTS.—Except as
16 provided in paragraph (2), no officer or employee of
17 a sanctioning organization may receive any com-
18 pensation, gift, or benefit directly or indirectly from
19 a promoter, boxer, or manager.

20 “(2) EXCEPTIONS.—Paragraph (1) does not
21 apply to—

22 “(A) the receipt of payment by a promoter,
23 boxer, or manager of a sanctioning organiza-
24 tion’s published fee for sanctioning a profes-
25 sional boxing match or reasonable expenses in

1 connection therewith if the payment is reported
 2 to the responsible boxing commission under sec-
 3 tion 17; or

4 “(B) the receipt of a gift or benefit of de-
 5 minimis value.”.

6 (c) SANCTIONING ORGANIZATION DEFINED.—Sec-
 7 tion 2 of the Professional Boxing Safety Act of 1996 (15
 8 U.S.C. 6301) is amended by adding at the end thereof
 9 the following:

10 “(11) SANCTIONING ORGANIZATION.—The term
 11 ‘sanctioning organization’ means an organization
 12 that sanctions professional boxing matches in the
 13 United States—

14 “(A) between boxers who are residents of
 15 different States; or

16 “(B) that are advertised, otherwise pro-
 17 moted, or broadcast (including closed circuit
 18 television) in interstate commerce.”.

19 **SEC. 6. PUBLIC INTEREST DISCLOSURES TO STATE BOXING**
 20 **COMMISSIONS.**

21 (a) IN GENERAL.—The Professional Boxing Safety
 22 Act of 1996 (15 U.S.C. 6301 et seq.), as amended by sec-
 23 tion 5 of this Act, is amended by—

24 (1) redesignating section 17, as redesignated by
 25 section 5 of this Act, as section 18; and

1 (2) inserting after section 16 the following:

2 **“SEC. 17. REQUIRED DISCLOSURES TO STATE BOXING COM-**
3 **MISSIONS.**

4 “(a) SANCTIONING ORGANIZATIONS.—Before sanc-
5 tioning a professional boxing match in a State, a sanction-
6 ing organization shall provide to the boxing commission
7 of, or responsible for sanctioning matches in, that State
8 a written statement of—

9 “(1) all charges, fees, and costs the organiza-
10 tion will assess any boxer participating in that
11 match;

12 “(2) all payments, benefits, complimentary ben-
13 efits, and fees the organization will receive for its af-
14 filiation with the event, from the promoter, host of
15 the event, and all other sources; and

16 “(3) such additional information as the commis-
17 sion may require.

18 “(b) PROMOTERS.—Before a professional boxing
19 match organized, promoted, or produced by a promoter
20 is held in a State, the promoter shall provide a statement
21 in writing to the boxing commission of, or responsible for
22 sanctioning matches in, that State—

23 “(1) a copy of any agreement in writing to
24 which the promoter is a party with any boxer par-
25 ticipating in the match;

1 “(2) a statement made under penalty of perjury
2 that there are no other agreements, written or oral,
3 between the promoter and the boxer with respect to
4 that match; and

5 “(3) a statement in writing of—

6 “(A) all fees, charges, and expenses that
7 will be assessed by or through the promoter on
8 the boxer pertaining to the event, including any
9 portion of the boxer’s purse that the promoter
10 will receive, and training expenses; and

11 “(B) all payments, gift, or benefits the
12 promoter is providing to any sanctioning orga-
13 nization affiliated with the event.

14 “(c) STATE BOXING COMMISSION TO ESTABLISH RE-
15 QUIREMENTS.—The boxing commission of each State, or
16 the responsible boxing commission for a State that has
17 no boxing commission, shall determine how far in advance
18 of a professional boxing match the documents described
19 in subsections (a) and (b) shall be provided to the boxing
20 commission, and may prescribe such additional require-
21 ments relative to the required submission as may be nec-
22 essary.

23 “(d) INFORMATION TO BE AVAILABLE TO STATE AT-
24 TORNEY GENERAL.—A State boxing commission shall
25 make information received under this section available to

1 the chief law enforcement officer of the State in which the
 2 match is to be held upon request.

3 “(e) EXCEPTION.—The requirements of this section
 4 do not apply in connection with a professional boxing
 5 match scheduled to last less than 10 rounds.”.

6 **SEC. 7. ENFORCEMENT.**

7 Section 10 of the Professional Boxing Safety Act of
 8 1996 (15 U.S.C. 6309) is amended by—

9 (1) inserting a comma and “other than section
 10 9(b), 15, 16, or 17,” after “this Act” in subsection
 11 (b)(1);

12 (2) redesignating paragraphs (2) and (3) of
 13 subsection (b) as paragraphs (3) and (4), respec-
 14 tively, and inserting after paragraph (1) the follow-
 15 ing:

16 “(2) VIOLATION OF ANTI-EXPLOITATION, SANC-
 17 TIONING ORGANIZATION, OR DISCLOSURE PROVI-
 18 SIONS.—Any person who knowing violates any provi-
 19 sion of section 9(b), 15, 16, or 17 of this Act shall,
 20 upon conviction, be imprisoned for not more than 1
 21 year or fined not more than—

22 “(A) \$100,000; and

23 “(B) if the violations occur in connection
 24 with a professional boxing match the gross rev-

1 enues for which exceed \$2,000,000, such addi-
 2 tional amount as the court finds appropriate,
 3 or both.”; and

4 (3) adding at the end thereof the following:

5 “(c) ACTIONS BY STATES.—Whenever the chief law
 6 enforcement officer of any State has reason to believe that
 7 a person or organization is engaging in practices which
 8 violate any requirement of this Act, the State, as *parens*
 9 *patriae*, may bring a civil action on behalf of its residents
 10 in an appropriate district court of the United States—

11 “(1) to enjoin the holding of any professional
 12 boxing match which the practice involves;

13 “(2) to enforce compliance with this Act;

14 “(3) to obtain the fines provided under sub-
 15 section (b) or appropriate restitution; or

16 “(4) to obtain such other relief as the court
 17 may deem appropriate.

18 “(d) PRIVATE RIGHT OF ACTION.—Any boxer who
 19 suffers economic injury as a result of a violation of any
 20 provision of this Act may bring an action in the appro-
 21 priate Federal or State court and recover the damages suf-
 22 fered, court costs, and reasonable attorneys fees and ex-
 23 penses.”.

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